FOR MYSORE STATE

-78,406-3-11-52.

Agriculture (195) Department.

MS SERIES.

G.O. No. 1029

Dated 11.4.55

[Despatch Abstract.]

Committees - South Kanara Market committee Audit Report for 1953-54 - Remarks with remarks

19419

L.F.No. 6942 Dated 17-12-54.

Office of the Examiner of
Local Fund Accounts,
MADRAS. 1.

Sub: Audit report - South Kanara Market Committee 1953 - replies.- forwarded.

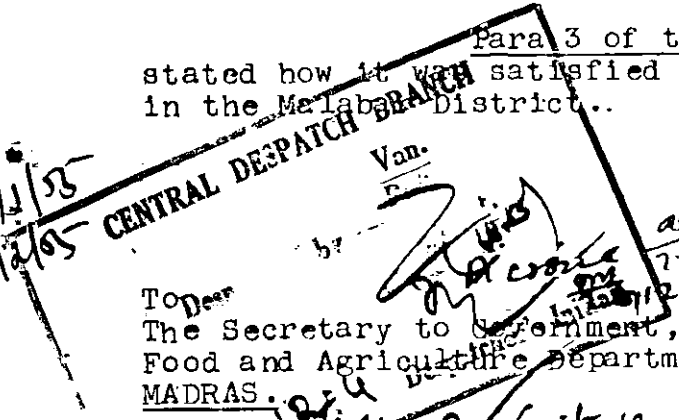
153889/B IV

Pgs. 3-9 below

Forwarded to the Secretaryto Government, Food and Agriculture Department with a copy of the replies of the Secretary.

2. No separate resolution of the Committee approving the replies has been obtained as the Collector himself is performing the functions of the Committee.

Para 3 of the Audit report:- It has not been stated how it was satisfied that the fees due had been paid in the Malabar District..



Asst. Examiner of L.F.Accts.

To
The Secretary to Government,
Food and Agriculture Department,
MADRAS.

(See app 1 above)

2

L.F.No. 6972 Dated 17.12.54

Office of the Examiner of Local Fund Accounts, MADRAS. 1.

Sub: Audit report - South Kanara Market Committee 1953 - replies.- forwarded.

Forwarded to the Secretaryto Government, Food and Agriculture Department with a copy of the replies of the Secretary..

2. No separate resolution of the Committee approving the replies has been obtained as the Collector himself is performing the functions of the Committee..

Para 3 of the Audit report:- It has not been stated how it was satisfied that the fees due had been paid in the Malabar District..

Asst. Examiner of L.F.Accts.

To
The Secretary to Government,
Food and Agriculture Department,
MADRAS.

Copy of Audit Report on the Accounts of The South Kanara Market Committee for the year 1953.

NAME OF AUDITOR:- Sri.R. Madhavan, B.A.,
District Inspector of Local Fund Accounts.

TIME TAKEN FOR AUDIT:- 17th June 1954 to 8th July 1954, and 19th July 1954.

The office of Secretary was held by Sri.K.Tejappa Shetty during the year.

2. The opening balance in the Cash Book is in agreement with the closing balance of the previous year. The closing balance in the cash book viz.Rs.1,635-5-3, is in agreement with the balance in the Treasury Pass Book after allowing for unremitted cash and uncashed cheques at the close of theyear and is exclusive of a sum of Rs.9,000/- invested in Madras, Government Loan.

3. (a) Paragraph 4 of the audit report for the year 1952.

LICENCE UNDER SECTION 5(1) AND (3) OF THE ACT.

In most of the cases it was noticed that even persons who have taken out licences under section 5(1) and 5(3) of the Act did not render accounts regularly to the Market Committee nor furnished weekly reports of purchases and sales and of arrivals and dispatches of crop. It was therefore not possible to verify whether the cess due has been collected in all cases when due. It was stated that the criminal complaints filed by the committee against a few dealers failed in the original court mainly on the ground that direct proof to show that the notification issued by the Government extending the provisions of the Act to the District had been duly published in all the modes of publication required under Rule 3 of the Madras Comme: Crops Markets Rules, was not available to give a conviction.

Orders of Government as to the future course of action to be taken by the Committee are awaited.

(b) It was explained during Local Audit that as the supplier in the Malabar District had paid fees due to the Malabar Market Committee upon the whole quantity of copra which he intended exporting, no separate fee for the quantity supplied to the Krishna Mills in South Kanara was paid and hence no receipt is available. The orders of Government on the reference made by the Secretary in this regard are awaited.

(c) (b) Paragraph 5 of the audit report for 1952.

REGISTRATION FEE OF TRADERS:-

An annual list of persons exercising the profession was not obtained in spite of the omission having been pointed out in the Audit Reports of previous years.

(d) (c) Paragraph 6 of the audit report for 1952.

Licence to Brokers and Weighmen:-

A list of persons exercising the profession was not obtained in spite of the omission having been pointed out in the Audit Report of previous years.

4. SANCTION WANTING:-

Vr.No.145/12-53, Sub.Vr.9.

A sum of Rs.6-3-0, was spent towards the purchase of a copy of the group photo of the Chairman and Members of the Market Committee Conference held at Adoni. The sanction of Government was not pointed out for the expenditure.

6

5. EXPENDITURE IN EXCESS OF BUDGET PROVISION:-

The budget allotment for contribution to Provident Fund is Rs.190/- only. But the actual expenditure incurred on this item was Rs.211/-. Sanction for the reappropriation may be obtained and furnished.

V

6. AUDIT FEES:-

The total expenditure during the year was Rs.21,174-13-9 The audit fee due at the rate of .375% of this sum amounting to Rs.79-7-0, may be credited to the State Funds.

VI

7. REGISTER NOT MAINTAINED:-

A miscellaneous Demand Register was not maintained during the year.

VIII

8. RESULT OF AUDIT:-

The result of audit may be considered fairly satisfactory.

9. GROSS RECEIPTS AND CHARGES:-

The gross receipts and charges for the year were Rupees 20,037-7-6, and Rs.21,174-13-9, respectively.

10. Six items of objections involving a sum of Rs.106-10-0 were pending settlement at the close of audit as detailed below:-

1952	3	Rs.
1953	3	Rs.106-10-0
	6.	106-10-0

/TRUE COPY/

L.Dis.6254/54.Accounts.

Copy forwared to the Secretary, South Kanara Market Committee, Mangalore, for information and necessary action.
Copy to the Collector or South Kanara for necessary action.

(By order)

S.K.Dt.Treasury, ()
Mangalore, 21-9-54.

Sd/- * * * * *
Huzur Head Accountant.

/TRUE COPY/

SECRETARY, 8/11/54
South Kanara Market Committee,
Mangalore.

6

REPLIES TO THE AUDIT REPORT OF THE ACCOUNTS OF THE SOUTH KANARA MARKET COMMITTEE FOR THE YEAR 1953.

****

PARA 1 -- Nil.

PARA 2 -- Nil.

PARA 3(a) - Paragraph 4 of the Audit Report for the year 1952 Licences under section 5(1) and 5(3) of the Act.

The legal uncertainties on the constitution of this Market Committee has since been removed by suitably amending the Madras Commercial Crops Markets Act 1933 as Madras Act XXVI of 1954. The Committee will now try to enforce all the provisions of the Act, Rules and the by-laws.

(b) Sub-rule 2 of Rule 28 of the Madras Commercial Crops Market Rules 1948 lays down that "when fee has been paid on a commercial crop in a notified area and when that commercial crop is moved into another notified area, no fee shall be levied again on the same crop in other notified area". Most of the Oil Mills in South Kanara depend upon a part of their requirements of copra from Malabar district which is a notified area. The fee will have to be necessarily paid to the Malabar Market Committee before the copra can be booked by rail to Mangalore. This fee is paid by the Malabar merchant and generally in a lumpsum for a number of consignments in a single bill. It has therefore been found impracticable to produce the individual bills of payment made to the Malabar Committee on each of the consignments booked to South Kanara mills. But the invoices of the individual consignments are being checked to satisfy that the copra has been actually got from another notified area and this procedure of checking the invoices of the firms may be accepted to show that the particular commercial crop has actually been imported from another notified area where the fee must have been paid.

(c) Paragraph 5 of the Audit Report for 1952:- Registration fee of traders.

Now that the registration of traders has been held to be void by the High Court, Madras, this registration is only optional and thus no useful purpose will be served in maintaining a demand register for these persons. This may therefore be dropped.

(d) Paragraph 6 of the audit report for 1952 -- Licences to Brokers and Weighmen.

There are no brokers in the notified crops in the district. A demand register as ordered in G.O.No.MS.1933 Agri. dated 11-6-1954 has been opened showing the list of weighmen and a report has already been submitted to Government accordingly in this office ROC.No.366/53 dated 28-7-1954 with a copy to the Examiner of L.F.Accounts, Madras.

PARA 4 -- Sanction wanting:-

The amount of Rs.6-3-0 being the cost of a copy of the group photo of the conference of Market Committees at Aloni has since been paid by the Secretary and credited to the Market Committee funds in Treasury receipt No.701 dated 22-10-54 and there is no further need for sanction from Government.

P.T.O

PARAGRAPH 5 -- Expenditure in excess of budget provision:-

The expenditure has since been regularised. Sanction for the reappropriation of a sum of Rs.21/- to meet the contribution towards the Provident Fund of the Establishment for the year 1953, has now been accorded by the Collector-Chairman (The Market Committee under section 6.A. of the Act) in his Proceedings ROC.No.703/54 dated 14-10-1954. (Copy enclosed)

PARAGRAPH 6 -- Audit fees :-

The audit fees Rs.79-7-0 as demanded in the audit report for 1953 has been credited to State funds in T.R.No.812 dated 27-10-1954.

PARAGRAPH 7 -- Register not maintained:-

The Miscellaneous Demand Register has since been maintained from July 1954 and a report already submitted to Government with a copy to the Examiner ~~of~~ as stated in para 3 (d) above.

PARAGRAPHS 8 & 9 -- No replies.

PARAGRAPH 10 -- Replies are given to all the six items of objections and the amount of Rs.106-10-0 have been settled.

SECRETARY. 8-11-54

9

ROC.NO.703/1954

Proceedings of the Collector of South Kanara and Chairman, The South Kanara Market Committee dated 14-10-1954

....

Present:- SRI.V.SEETARAMA SERVAI, B.A.

.....

READ:- Audit report for the year 1953 on the accounts of the South Kanara Market Committee.

Also office note dated 13-10-1954 from the Secretary of the S.K.Market Committee.

Sanction is accorded for the reappropriation of a sum of Rs.21/- (Rupees Twenty one only) from the savings under salaries of staff to meet the contribution towards the Provident Fund of the Establishment of the Market Committee for the year 1953.

Sd/- V.SEETHARAMA SERVAI,
14-10-54.
Collector of South Kanara
and
Chairman, S.K.Market Committee,
Mangalore.

/TRUE COPY/

SECRETARY.

THIRD ASSISTANT SECRETARY
12 FEB 1955
AGRICULTURE DEPARTMENT

Agricultural Department

From
Sri M.S. Sivaraman, I.C.S.,
Director of Agriculture,
Chepauk, Madras,

To
The Secretary to Government,
Agriculture Department,
Fort Saint George, Madras.

C.1. 2316/54 dated 7.2.'55.

Sir,

Sub:- Committees--South Kanara Market Committee--Audit report for 1953 replies--submitted with remarks.

Ref:- Government Endt. No. 153389 B.IV/54-1 Agriculture Department dated 28.12.'54.

I offer the following remarks on the replies to the audit report of the South Kanara Market Committee for 1953.

Paras 1 and 2:- No remarks.

I

Para 3 (a):- The Committee has promised to enforce all the provisions of the Madras Commercial crops market Act 1933 Rules and By-laws as the legal impediments have since been cleared. This may be accepted.

II

Para 3 (b):- There is a reference in the audit report to a communication addressed to Government. The Secretary, South Kanara Market Committee, Mangalore has not brought out in his reply to this audit objection, the details of the communication. This is being pursued further;

The Secretaries' reply wants that a presumption of payment of fees due in Malabar having been paid there in respect of commercial crop verified and found to have been received from that District should be allowed. Any such presumption might be unwarranted. The buyer in South Kanara should be able to produce the receipt of payment of the fee in Malabar in support of a claim for exemption of fee for a second time in South Kanara. This fact must be verified by the Secretary or other competent subordinate of the South Kanara Market Committee and recorded with a specific note of rebate or exemption specifically allowed. Such a procedure will also help to put down evasions of the fee in either district.

This proposition would also make up another issue. Any commercial crop after a first receipt from Malabar might either with or without processing; pass through one or more buyers or to the last buyer before either consumption within or despatch outside of South Kanara. When levying the fee at the point of last sale the last buyer is bound to pay the fee determined in South Kanara unless he has also acquired along with the produce the evidence of the fee having been paid in Malabar.

The audit remark is therefore validly enforceable.

III

Para 3 (c):- A demand Register for traders under rule 37 will ser serve no useful purpose when registration is not compulsory. The objection can therefore be dropped as desired in the reply of the Secretary.

IV

Para 3 (d):- A demand register showing the list of weighmen has been opened as ordered in G.O. Ms. No. 1933 Agriculture Department dated 11.6.'54. The letter No. 366/53 dated 28.7.'54 of the Committee referred to was submitted to Government in this office letter D.Dis. C. 436/54 dated 5.8.'54. This is after the date of the present audit i.e., June, July 1954. Hence this meets the audit objection and the reply may be accepted, subject to verification at the next audit.

P.T.O.

B

V Para 4:- It is stated in the reply that the amount has since been paid by the Secretary and credited to the Market Committee fund and that there is therefore no need for Government sanction. This may be accepted subject to verification at the next audit.

VI Para 5:- The reply can be accepted.

VII Para 6:- The reply may be accepted subject to verification at the next audit.

VIII Para 7:- It is stated in the reply that the miscellaneous Demand Register has since been maintained from July 1954--vide also remarks against para 3 (d) above. This may be verified at the next audit.

Paras 8, 9 and 10:- No remarks.

2. The enclosures received with the Government Endorsement cited are resubmitted herewith.

(Sd.) M.S. Sivaraman,
Director of Agriculture.

(By Order)

Assistant Marketing Officer.

ASR/8.2.

15

Agri (B.IV) Dept.

Sub: Committees - South Kanara Market Committee - Audit Report for 1953 - Recorded with remarks.

Read the following:--

'From the Ex. L.F.A. No. L.F. 6972 dated 17-12-1954.

From the D.A. No. 2316/54, dated 7-2-1955.

G.O. Ms. No. 1023 dated/- 11/4/55

Recorded.

2. Para 3(b) */- Licence under section 5(1) and 5(3) of the M.C.C.M. Act.

The reference to Govt. said to have been made by the Secretary ** of the South Kanara Market Committee has not been received. The D.A. is requested to forward it to the Govt. with his remarks thereon at an early date.

3. Paras 3(c), 3(d), 4, 6, 7 - The D.A.'s recommendations are accepted. The D.A. is requested to inform the S.K.M.C. accordingly.

4/4/55

To

The D.A.,
The Examiner, L.F.A.,
The Collr. of S. Kanara.
The Chairman, S.K. Market Committee, Mangalore.

S.F.I.

CENTRAL DESPATCH BRANCH
Received by
Despatched
Initials

AGRICULTURAL DEPARTMENT

THIRD ASSISTANT SECRETARY TO GOVERNMENT
3 - AUG 1955
AGRICULTURE DEPARTMENT

From
Sri.M.S.Sivaraman, I.C.S.,
Director of Agriculture,
P.B. No. 412,
M A D R A S--5.

To
The Secretary to Government,
Agriculture Department,
Fort St. George,
Madras--9.

No.D.Dis.C-2316/54 dated 31-7-'55.

Sir,

Sub:- COMMITTEES - South Kanara Market Committee - Audit report for 1953 - Recorded with remarks.
Ref:- G.O.Ms.No.1023, Agriculture Department dated 11--4--'55.

I invite reference to paragraph 2 of the G.O. cited and submit that paragraph 3 (b) of the audit report for 1953, relates to the original paragraphs 4 of the audit report for the year 1952, recorded by Government in G.O. Ms. No. 1933, Agriculture Department, dated 11-6-'54. In this connection, I submit herewith a copy of letter No.222/54 dated 9-2-'55 from the Secretary, South Kanara Market Committee, Mangalore to the State Marketing Officer, Madras explaining the position clearly. It will be seen that no separate communication was made to Government by the Committee on this subject.

Sd. M.S. Sivaraman,
Director of Agriculture.
/By Order/

M.G./1-8

ASSISTANT MARKETING OFFICER.

Enclosure:-

Copy of letter Roc.No.222/54 dated 9--2--1955 addressed to the State Marketing Officer, Chepauk, Madras--5.

Sub:- COMMITTEE - Audit Report for 1953 - Replies of the Committee.
Ref:- No.C1-2316/54 dated 2-2-'55 of the State Marketing Officer, Madras.

Para 3 (b) of the audit report for 1953 relates to the original paragraph 4 of the audit report for the year 1952 and in the reply given to that para on 19-11-1953 it was stated as follows:-

"Proof of payment of fees on the said quantity of copra imported from Malabar had been called for from the said Mill which has since refused to pay any fees at all. Complaints filed against this Mill have since failed. Further action will be taken on the advice and orders of Government"

The same objection was repeated in para 3 (b) in 1953. Second sentence in that para " the orders of Government on the

P.T.O.

reference made by the Secretary in this regard are awaited" applies to the report made to Government about the failure of the complaints filed against these dealers and action to be taken when the legal difficulties were rectified. There was no separate communication to Government on the subject.

In the reply given to para 3 of the Audit Report of 1953 (relating to para 4 of the Audit Report for 1952) the fact that the legal uncertainties on the constitution of this Market Committee (as reported to Government) have since been removed by suitably amending the Act as Madras Act XXVI of 1954 has been reported. As these Mills are assessed to Income Tax and as they maintain regular accounts of their transactions, checking the invoices of the firms may be accepted to show that a particular consignment of the commercial crop has actually been imported from another notified area or from outside this notified area and thus exempt from the payment of fee on that quantity.

/True Copy/

S V Ramamurthy
for ASSISTANT MARKETING OFFICER.

J.G./1-8

Notes.

Pages 1-2 above.

Subs. for perusal. This has been sent in reply to 'M' on p. 15 C/f (R). In view of 'B' on p. 1 above, no further action is called for. May be kept with the file at (R).

Put up brief note

Agri C A IV 19

Memo No. 70512 A IV/55-1 dt 6-9-55

Sub: Committees - S. Kanara Market committee - Fees due on commercial crops imported from a notified area - Payment - Verification

Ref: From the D.A. No. D. Dis. C. 2316/54 dt. 31.7.55

In his letter No. Roc. 232/54 dated 9-2-55 addressed to the S.M.O. Madras, the Secretary of the S. Kanara Market committee, Mangalore has only reiterated his previous view viz that the fact of payment of levy in question, on the import of copra from Malabar in the S. Kanara Dt. may be verified by checking the invoices of the dealers and the payment of fee on that quantity may thus be exempted. The D.A. is requested to offer his remarks on this point and to state whether the mode of verification through invoices adopted by the committee for checking payment of levy by the dealers at the exporting stations, will be acceptable to the audit.

[illegible]

To the D.A.

Rc. 5-10-55

E.R. 8-10-55. N.R. 27.6.55

AGRICULTURAL DEPARTMENT

From
Sri.M.S. Sivaraman, I.C.S.,
Director of Agricultue,
P.B. No. 412,
M a d r a s--5.

To
The Secretary to Government,
Agriculture Department,
Fort St. George,
M a d r a s--9.

No.C1-1740/54 dated 6-10-'55.

Sir,

Sub:- COMMITTEES - South Kanara Market Committee - Fees due on commercial crops imported from a notified area - Payment - Verification.

Ref:- Government Memorandum No. 70912-A-1V/55-1, Agriculture Department, dated 6-9-'55.

. . .

The verification of payment of fees earlier to the the Malabar Market Committee can be accepted as admissible in audit. Normally the licencee will have to furnish a return of all purchases in a classified manner. In such classification the quantities on which no fee is due will also be indicated. The sustainablity of the exemption from fees will be verified from the records of the licencee and admitted if sustainable.

Sd. S.V. Ramachandran,
For Director of Agriculture.

/By Order/

M.G./7-10

S V Ramachandran 8/10
ASSISTANT MARKETING OFFICER.

Agm (BIV)

Cro. 153889/BIV/54.

Sub:- Committees - South Kanara Market Committee - Audit report for 1953.

Ref:- From the Exr. L.E.A. No. Lr. 6972 dated 17/12/54.
Issued as Endt. No. 153889 BIV/54-1 d. 28/12/54.
From the DA - No 2316/54 dated 7/2/55.

p 1 cf

pp 11-13 cf.

No. As.

The case relates to the Audit report of the S. Kanara Market Committee for 1953.

2. The Audit Report is at pp. 5-6 cf., the replies of the Committee are at pp. 7-8 cf., and the remarks of the DA are at pp 11-13 cf.

para 1. p. 5 cf

3. The office of the Secretary was held by Sri K. Tejappa Shetty.

4. The opening balances in the cash book is reported to be in agreement with the closing balances of the previous year. The total expr. during the year was Rs. 21,174/13/9. The receipts were Rs. 20,037/7/6.

para 2. p. 5 cf

para 9. p 6 cf

5. Six items of objections involving a sum of Rs. 106/10/- were pending settlement at the close of audit. The result of the audit is considered to be satisfactory.

para 10. p 6 cf

6. The objections raised in Audit, together with the replies of the Committee & the remarks of the DA have been examined in the sectional notes below. They are for orders.

Dft no. 153889 BIV/54-2 After orders are passed, the case may be sent to Fin. Dr

8.3.55

remarks.

DS
F—

2/

H3/B4

Fin. (Accts.)

May be pursued. No special remarks are called for.

Fin 11.3.55

Dy 11.3.55

h/ 14/3/55

H&A (B IV)

Fin U.O. 1941 Dated 13/3/55

14/3/55

THIRD ASSISTANT SECRETARY 14 MAR 1955 AGRICULTURE DEPARTMENT

I.A.

Note of Fin. above

A draft order recording the Audit Report of the S.K.M.C. for the yr. 1953 is subs. for approval.

Dy 28/3/55

28/3/55

29

SR 31/3/55

Approved 21/4/55

14/4/55

Sectional Notes

AGRI.(BIV) DEPT.

Extract from the Audit Report of the South Kanara Market Committee:

3.(a) Paragraph 4 of the audit report for the year 1952.

LICENCE UNDER SECTION 5(1) and (3) OF THE ACT.

In most of the cases it was noticed that even persons who have taken out licences under section 5(1) and 5(3) of the Act did not render accounts regularly to the Market Committee nor furnished weekly reports of purchases and sales and of arrivals and dispatches of crop. It was therefore not possible to verify whether the cess due has been collected in all cases when due. It was stated that the criminal complaints filed by the committee against a few dealers failed in the original court mainly on the ground that direct proof to show that the notification issued by the Government extending the provisions of the Act to the District had been duly published in all the modes of publication required under Rule 3 of the Madras Commercial Crops Markets Rules, was not available to give a conviction.

Orders of Government as to the future course of action to be taken by the Committee are awaited.

Reply of the Committee:

The legal uncertainties on the constitution of this Market Committee has since been removed by suitably amending the Madras Commercial Crops Markets Act 1933 as Madras Act XXVI of 1954. The Committee will now try to enforce all the provisions of the Act, Rules and the bye-laws.

Director of Agriculture's remarks:

The Committee has promised to enforce all the provisions of the Madras Commercial crops market Act 1933 Rules and By-laws as the legal impediments have since been cleared. This may be accepted.

OFFICE NOTE.

The extracts above may be read. It may be stated that in view of a writ petitions filed by certain merchants of Mangalore, the Committee's activities have been reported to be at a standstill. Action is being taken in the connected file to issue necessary instructions to the D.A. & the Collr. of South Kanara in regard to the writ petitions. No action is called for here.

The Committee's assurance may be accepted

5/9/55

DS PTS

AGRI.(BIV) DEPT.

Extract from the Audit Report of the South Kanara Market Committee:

3 (b) It was explained during Local Audit that as the supplier in the Malabar District had paid fees due to the Malabar Market Committee upon the whole quantity of copra which he intended exporting, no separate fee for the quantity supplied to the Krishna Mills in South Kanara was paid and hence no receipt is available. The orders of Govt. on the reference made by the Secretary in this regard are awaited.

Reply of the Committee:

Sub-rule 2 of Rule 28 of the Madras Commercial Crops Market Rules 1948 lays down that "when fee has been paid on a commercial crop in a notified area and when that commercial crop is moved into another notified area, no fee shall be levied again on the same crop in other notified area". Most of the Oil Mills in South Kanara depend upon a part of their requirements of copra from Malabar district which is a notified area. The fee will have to be necessarily paid to the Malabar Market Committee before the copra can be booked by rail to Mangalore. This fee is paid by the Malabar merchant and generally in a lumpsum for a number of consignments in a single bill. It has therefore been found impracticable to produce the individual bills of payment made to the Malabar Committee on each of the consignments booked to South Kanara mills. But the invoices of the individual consignments are being checked to satisfy that the copra has been actually got from another notified area and this procedure of checking the invoices of the firms may be accepted to show that the particular commercial crop has actually been imported from another notified area where the fee must have been paid.

Director of Agriculture's remarks:

The Secretaries reply wants that a presumption of payment of fees due in Malabar having been paid there in respect of commercial crop verified and found to have been received from that District should be allowed. Any such presumption might be unwarranted. The buyer in South Kanara should be able to produce the receipt of payment of the fee in Malabar in support of a claim for exemption of fee for a second time in South Kanara. This fact must be verified by the Secy. or other competent subordinate of the South Kanara Market Committee and recorded with a specific note of rebate or exemption spedifically allowed. Such a procedure will also help to put down evasions of the fee in either district.

This proposition would also Make vakeup another issue. Any commercial crop after a first receipt from Malabar might either, with or without processing, pass through one or more buyers or to the last buyer before either consumption within or despatch outside of) South Kanara. When levying the fee at the point of last sale the last buyer is bound to pay the fee determined in S. Kanara unless he has also acquired along with the produce the evidence of the fee having been paid in Malabar.

OFFICE NOTE.

The reference mentioned at 'M' above, does not appear to have been recd. The DA may be requested to forward it to-day with his remarks for information. W.A.T. above, a further report from the D.A. may be awaited till 15/4/55.

There is a reference in the audit report to a communication addressed to/out the Secy S.Kanara Market Committee, Mangalore has not brought out in his reply to this audit objection the details of the Communication. This is being pursued further.

AGRI.(ELV) DEPT.

Extract from the Audit Report of the South Arcot Market Committee:

(b) Paragraph 5 of the audit report for 1952.

REGISTRATION FEE OF TRADERS:

An annual list of persons exercising the profession was not obtained in spite of the omission having been pointed out in the Audit Reports of previous years.

Reply of the Committee:

Now that the registration of traders has been held to be void by the High Court, Madras, this registration is only optional and thus no useful purpose will be served in maintaining a demand register for these persons. This may therefore be dropped.

Director of Agriculture's remarks:

The audit remark is therefore validly enforceable. A demand Register for traders under rule 37 will serve no useful purpose when registration is not compulsory. The objection can therefore be dropped as desired in the reply of the Secretary.

OFFICE NOTE.

The views of the D.A. and the Market Committee may be concurred in.

AGRI.(BIV) DEPT.

Extract from the Audit Report of the South Kanara Market Committee:

(c) Paragraph 6 of the audit report for 1952.

LICENCE TO BROKERS AND WEIGHMEN:

A list of persons exercising the profession was not obtained in spite of the omission having been pointed out in the Audit Report of previous years.

Reply of the Committee:

There are no brokers in the notified crops in the district. A demand register as ordered in G.O.MS.No. 1933 Agri. dated 11.6.1954 has been opened showing the list of weighmen and a report has already been submitted to Government accordingly in this office ROC.No.366/53 dated 28.7.1954 with a copy to the Examiner of L.F. Accounts, Madras.

Director of Agriculture's remarks:

A demand register showing the list of weighmen has been opened as ordered in G.O.MS.No.1933 Agri.Dept. dated 11.6.1954. The letter No.366/53 dated 28.7.54 of the Committee referred to was submitted to Govt. in this office letter D.Dis.C.436/54 dated 5.8.54 This is after the date of the present audit i.e. June, July 1954. Hence this meets the audit objection and the reply may be accepted, subject to verification at the next audit.

Office note.

The D.A.'s recommendation at 'R' above may be concurred in & the Committee informed accordingly.

5/3/55

Agri.(BIV) Dept.

Extract from the Audit Report of the South Kanara Market Committee:

4. SANCTION WANTING:

Vr. No.145/12-53, Sub.Vr.9.

A sum of Rs.6-3-0 was spent towards the purchase of a copy of the group photo of the Chairman and Members of the Market Committee Conference held at Adoni. The sanction of Government was not pointed out for the expenditure.

Reply of the Committee:

The amount of Rs.6-3-0 being the cost of a copy of the group photo of the conference of Market Committees at Adoni has since been paid by the Secretary and credited to the Market Committee funds in Treasury receipt No.701 dated 22.10.1954 and there is no further need for sanction from Government.

Director of Agriculture's remarks:

It is stated in the reply that the amount has since been paid by the Secretary and credited to the Market Committee fund and that there is therefore no need for Government sanction. This may be accepted subject to verification at the next audit.

Office Note.

The DA's recommendation at 'X' above may be concurred in

21/3/55.

5/3/55

AGRI.(BIV) DEPT.

Extract from the Audit Report of the South Kanara Market Committee:

EXPENDITURE IN EXCESS OF BUDGET PROVISION:

VI, p 89

p 9 4

The expenditure has since been regularised. Sanction for the reappropriation of a sum of Rs.21/- to meet the contribution towards the Provident Fund of the Establishment for the year 1953, has now been accorded by the Collector-Chairman (The Market Committee under section 6.A. of the Act) in his proceedings ROC. No.703/54 dated 14.10.1954.(copy enclosed).

Reply of the Committee:

VI, p 6 4

The budget allotment for contribution to Provident Fund is Rs.190/- only. But the actual expenditure incurred on this item was Rs.211/-. Sanction for the reappropriation may be obtained and furnished.

Director of Agriculture's remarks:

VI, p. 13 4

The reply can be accepted.

OFFICE NOTE.

In the circumstances stated, no further action is called for

2/3/55.

4.3.55

5/3/55

AGRI.(BIV) DEPT.

15

Extract from the Audit Report of the South Kanara Market Committee:

5. AUDIT FEES.

VII. p64

The total expenditure during the year was Rs.21,174-13-9. The audit fee due at the rate of .375% of this sum amounting to Rs.79-7-0, may be credited to the State Funds.

Reply of the Committee:

VII, p85

The audit fees Rs.79-7-0 as demanded in the audit report for 1953 has been credited to State funds in T.R.No.812 dated 27.10.1954.

Director of Agriculture's remarks:

VII, p 134

The reply may be accepted subject to verification at the next audit.

OFFICE NOTE.

The D.A.'s recommendation may be accepted.

21/8/55.

4.3.55

5/8/55

AGRI.(BIV) DEPT.

Extract from the Audit Report of the South Kanara Marke Committee:

VIII, p 14

7. REGISTER NOT MAINTAINED:

A miscellaneous demand Register was not maintained during the year.

Reply of the Committee:

VIII, p 8 ¶

The Miscellaneous Demand Register has since been maintained from July 1954 and a report already submitte to Government with a copy to the Examiner as stated in para 3(d) above.

Director of Agriculture's remarks:

VIII p 13 ¶

It is stated in the reply that the miscellaneous Demand Register has since been maintained from July 1954 - vide also remarks against para 3(d) above. This may be verified at the next audit.

OFFICE NOTE.

The D.A.'s recommendation may be accepted.

21/8/55.

4.9.55

5/9/55

Agrl. (A) 11

Subj:- Committees - South Kanara Market Committee - fee due on Commercial Crops imported from a notified area - Payment - Verification

pp 1-2 ✓ Ref:- From the D.A. No D Dis. C-2316/54 d. 21/7/55

To As.

Extract of notes and orders on p. 2 of Pages 1-2 of Subj for perusal. This has been sent in reply to M on p. 15 of (R). In view of B on p. 1 (above), no further action is called for. May be kept and added to the file of (R).

p 2 ✓

N.B.M. 19/8/55.

Put up with a brief note.

S.V.R. 20/8/55.

To As.

The case relates to the point as to how the fact that fee due on a commercial crop imported from a into a notified area from another notified area has to be verified. The point arose on account of the import (viz. copra) by certain dealers of of notified commercial crops, of Copra into the South Kanara Dt. from the Malabar Dt. Both these Dts. are notified inter-alia for regulation of trade in Copra. Under Sec. 11 of the M.C.M. Act, a Market Committee shall levy fees on the notified Commercial Crop brought

II, p. 7 ✓ (S)
For Rls. 1933, Agrl
11/6/54

Mp not put up

Act not put up

P.T.O.

and sold in the notified area. As this fee should not be levied more than once, it is obligatory to verify whether the fee has been actually paid before a demand can be made. The dealers of Copra in South Kanara Dt. failed to submit weekly returns prescribed by the South Kanara Market Committee for this purpose. Prosecution was launched but it failed as the Court declared the notifns. enforcing the MCCH Act to that Dt as invalid on the grounds that they were not published in accordance with Rules.

2. This position in para 1 above was set forth by the South Kanara Market Committee in its reply to the Audit report for 1952. The Govt. directes the Committee to review the position after the defect pointed out by the Court was rectified. This defect was rectified by suitably amending the MCCH. Act 1933 by Madras Act XXVI of 1954.

3. The Malabar Market Committee in its reply to the audit report for 1953 stated that though it has been found to be impracticable to produce to the audit the individual bills, yet the invoices could be checked for satisfying that Copra was imported from Malabar where the fee had been paid. This position was explained by the Committee during local audit. The audit has recorded as follows:-

"the orders of Govt. on the reference

Govt. Ms. 1023, Agre dt 11/4/55

cf. 'I', p. 5 ng of (R)
Rule 28 of MCCH Rules not pursp

'I', p. 7 of (S).

+/

1)

para 2, p. 11 of (S)

not pursp

cf. 'V', p. 5 ng of (R)
Govt Ms 1023 Agre 11/4/55.

'N', p. 5 ng. (R)

'M', " "

mark by the Secretary in this regard are awaited".

In his remarks, the D.A states that the matter was being pursued further. While recording the audit report, the D.A was asked to forward the reference mentioned by audit, with his remarks as it was not recd by Govt. The D.A has now forwarded the copy of the letts from the South Kanara Market Committee in this regard. No separate reference on the point was sent to Govt. The Committee has now merely reiterated the point that the fact of payment of levy in question on the import of copra from Malabar into the South Kanara Dt. may be verified by checking the invoices of dealers. The D.A has not offered his remarks on this point. It is not clear whether the DA even now pursues this point or has dropped it (accepting the position stated by the Committee) for orders whether the D.A may be asked to offer his remarks on the point & also to state whether the mode of verification through invoices adopted by the Committee will be acceptable to the audit.

'J' p.5 ng (R)

'M' p 15 ng (R)

pp 1-2 ng

'X' p. 2 ng

'Y' " "

* 'Y' p. 2 ng

Yes M 5/9/55

1/9/55

1.9.55

SCR 2/9/55

mjs

20 R-S.

Orders above.

A draft memo to the D.A. is submitted below for approval.

4/9/55

4.9.55

14

Issued as Memo No. 70912 A IV/55 d. 6-8-55 ƒ3 cf

From the D.A. Madras, No. CL.1240/54 d. 6-CA 55 ƒ5 cf

To A.S.

Notes from ƒ1 ante and the D.A's reply letter at ƒ5 cf. in reply to the Memo at ƒ3 cf. may be perused.

In the circumstances stated by the D.A. no further action is called for. The papers may be lodged and added to G.O. No. MS. 1023 Agri. d. 11-4-55 after perusal by Fin.

Sir
14.10.55
14.X.55

SVR
19/10/55

Fin

Agri. G.O. No. 70912 A IV/55-2
A Sittaf 18.10.55

Fin (Amts.)

The notes from p. 1 above may be perused and the file returned to the Agri. Department.

J/31/X.55

RR
1.11.55

Agri

Agri. (A IV)

May the lodgal be added to G.O. No. MS. 1023 Agri. dt. 11.4.55 as ordered at A above.

2.11.55

Fin U.O. 82989 Ach/SS

SVR
6/11/55

DEPUTY SECRETARY TO GOVT.
82989
2 NOV 1955
FINANCE DEPARTMENT

THIRD ASSISTANT SECRETARY TO GOVT.
2 NOV 1955
95989
AGRICULTURE

Add to G.O. No. MS. 1023 Agri. dt. 11.4.55

Sir
11.11.55